

From: Frank Patitucci
To: 'microsoft.atr(a)usdoj.gov'
Date: 1/28/02 11:10am
Subject: Microsoft Settlement

The purpose of this email is to add my voice to those opposed to the proposed settlement of the Microsoft Antitrust case. Much stronger penalties and remedies are necessary if Microsoft's behavior is to change. The company has been convicted of committing crimes. It needs a punishment that matches the crime.

I am the CEO and Chairman of a private, employee owned company with about \$20 million revenue and 200 employees. We provide employee relocation services to corporations when they transfer their employees. I am a card carrying capitalist. I have a degree from Stanford Graduate School of Business and have served as a part time professor there. Our capitalist system is the most productive economic engine ever invented. BUT it needs to be protected and guided by government (all branches) in order to continue to serve us and to be a model for the rest of the world.

Unfortunately, Microsoft represents capitalism at its worst. Here's how Microsoft's anti-competitive and anti-capitalistic behavior affects my company.

First, our company is now almost entirely dependent on Microsoft technology to provide our services. Frankly, when our computers go down we cannot do productive work. We are dependent on internal and web based systems to communicate with our clients, to manage our vendors and to perform basic business functions. All of our systems are Microsoft. And according to our IT staff "we have no choice".

Second, Microsoft limits the software we can purchase. At one point we had a database system called Foxpro. Foxpro was purchased by Microsoft. We purchased an accounting system called Great Plains. Great Plains was also purchased by Microsoft. We used to use word processor, spreadsheet, e-mail and presentation software produced by other companies that worked on the Microsoft operating system. I am now told by our IT staff that we can no longer purchase these products because they are not "compatible" with our other software. What happened to the companies that produced these excellent products? "We have no choice".

Third, we are paying more to Microsoft software than we should. How else could they accumulate \$35 billion in cash in the face of the current recession? When I ask our staff what would happen if Microsoft increased tripled their licensing fees, they say, "we have no choice". We would have to pay whatever price they ask. There is no other product or service that we purchase as a company, other than public utilities, for which we have absolutely no choice.

The long term success of capitalism depends on free markets, fair competition and freedom of choice in selecting products and services. We don't have any of these in this very important sector of our economy, due to the illegal practices of one company: Microsoft.

I believe the Courts have two choices. The first is to allow Microsoft to maintain it's monopoly. If so it should be declared a public utility and regulated as such. Alternatively, the company should be broken up into enough parts that will encourage competition. This kind of remedy has proven to be successful in both the oil and telephone industries.

The proposed settlement is neither of these, and should be rejected.

One last point, the fact that Microsoft is actively lobbying for the proposed settlement is cause for very great concern. We need to remember that Microsoft committed crimes and the remedies should be painful to the criminal. The current solution will send the worst message possible to current and future capitalists.

Sincerely,

Frank M. Patitucci
Chairman, CEO
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